

**Meeting of the Suffolk Tobacco Asset Securitization Corporation
(STASC)
March 11, 2010**

Minutes

Attendees: Jim Morgo, Chairman and President, STASC; Terrence Pearsall, Treasurer & Secretary, STASC; Robert Fonti, Independent Director, STASC; Connie Corso, Deputy County Executive for Finance & Management; Christina Capobianco, Audit & Control, John D'Amico, Audit & Control; Dennis Brown, Bureau Chief, Municipal Law; Amy Engel, County Executive Assistant, Rich Tortora, Capital Markets; Brian Petersen, AVZ; Stephen Antaki, AVZ; Charles Mattern, AVZ.

Minutes Approved: The minutes from the July 8, 2009 meeting were approved.

Retention Letters:

- The Directors voted to retain AVZ for accounting purposes T.Pearsall made the motion and R. Fonti seconded. Approved unanimously.
- The Directors voted to retain Ernst and Young as independent auditors. T.Pearsall made the motion and R. Fonti seconded. Approved unanimously.
- The Directors voted to retain Farrell Fritz as general counsel for a year. T. Pearsall made the motion and R. Fonti seconded. Approved unanimously.

Capital Markets: There was a discussion about a proposal from Capital Markets to be retained for \$20,000 a year. The services will cover SEC filings, all other related financial disclosure filings, an annual update, updates on the tobacco and secondary markets and the maintenance of an informational repository.

C. Capobianco from Audit and Control confirmed that \$5,000 a quarter is a reasonable and customary amount.

- The Directors voted to retain Capital Markets for a year. T. Pearsall made the motion and R. Fonti seconded. Approved unanimously.

Tobacco Market: Rich Tortora of Capital Markets gave a brief update on the tobacco market. He also explained that there have been declining consumption of cigarettes and the timing of our deal was excellent.

Banking: There was a brief discussion about our budget. It was agreed that \$200,000 is necessary in the operating account. AVZ explained that most tobacco trusts have a deficit in the first year or two until the Corporation receives enough money to pay off the CABs. In 2010 STASC will begin receiving 75% of the the Tobacco Settlement Revenues (TSRs). It was agreed that Rich Tortora will explain that in a footnote for the report.

Adjourn: Motion to adjourn was made by T. Pearsall, seconded by R. Fonti. Approved unanimously.